



# *CITY COUNCIL*

## **Work Session**

### **Meeting Report Monday, August 20, 2012**

**Council Members Attending:** M. Goodman-Hinnershitz, S. Marmarou, D. Reed, R. Corcoran, D. Sterner, J. Waltman

**Others Attending:** L. Kelleher, C. Snyder, C. Younger, C. Jones, L. Olsen, K. Schneider Barry Isett & Assoc.(Consultants)

Ms. Goodman-Hinnershitz called the Work Session to order at approximately 7:00 pm.

#### **Managing Director Report**

Ms. Snyder highlighted the report distributed to Council electronically earlier in the day as follows:

- Describing the great training session for City staff on drafting an implementable comprehensive plan by Denny Puko from the DCED
- Estimating that the revenue generated through the Tax Amnesty Program will exceed the anticipated goal
- Announcing the move to the new payroll system
- Noting improvements made on how Customer Service Center complaints are handled which will increase employee accountability and measure performance
- Announcing the City's application to the National Community Stabilization Trust

Mr. Waltman expressed appreciation that the City is working to create an implementable comprehensive plan. He noted that the plan currently in place is not ever used or referred to. He stated that the comprehensive plan should be the document that drives agendas, policies and actions to improve Reading. He also expressed appreciation that Ms. Snyder is working to improve the function of the CSC.

Ms. Goodman-Hinnershitz also expressed her appreciation to Ms. Snyder and the work she is doing to improve the way City Hall operates.

## **Council Report**

Ms. Kelleher stated that the report is attached to the agenda, hard copy and electronically. She stated that she recently completed a 3-4 month project for the Reading Police Department, by drafting a Local Ordinance Book that will help to educate new and existing officers about the use of local ordinances such as the noise ordinance, business license revocation, housing permits, etc. She stated that IT has loaded the document on the police area website so the officers can access the document from their patrol cars. She stated that after the new City's website goes live around the beginning of September, the book will be hot linked to the Codified Ordinance book. She stated that the Council Office can work on a similar update to the City's Guide Book.

Ms. Reed inquired if the Administration is working with the Council Office on the update to the website and if the website will be translated into Spanish. Ms. Snyder stated that the website can be translated into any language through Cloud. She stated that she is unsure if the Council Office has been included in discussions about the website.

## **Berks EIT**

Cathy Weist, Executive Director of Berks EIT, stated that Berks EIT became the City's earned income tax collector in 2011, one year prior to the Act 32 requirement for all municipalities to use one central tax collector. She stated that Berks EIT is working to improve tax collections and improve relations with the tax payers. She described the training Berks EIT has done over the past year with various tax preparers around the County. She stated that the City recently provided Berks EIT with documentation which will allow Berks EIT to explore who does and who does not currently file a tax return.

Mr. Waltman noted the disparity between the EIT collection in Reading, Lancaster and Allentown. He stated that he does not have the exact statistics on hand but after researching EIT rates and collection, he found that Lancaster and Allentown have lower rates and collect a higher percentage when compared to Reading. He explained that over the past 10 years, Reading has increased its EIT rate from 1% to 3.4% (City and School District). That increase would make the average person think that revenue collected would increase substantially, but, on average, it has declined or stayed flat.

Ms. Weist stated that when speaking with local tax preparers she learned that people who move to Pennsylvania from states that do not have a local income tax requirement are usually unaware of the need to file a local return.

Mr. Waltman noted the increase in EIT collections this year. Ms. Weist stated that the increase is caused by Act 32, which requires the employer to withhold the municipal rate. Before 2012, the employer was only legally required to withhold 1% and the employee was responsible to pay the difference when completing their local income tax return.

Mr. Waltman noted the existence of an underground economy that does not pay taxes. Ms. Weist agreed but noted that uncovering that underground economy is difficult and that even the IRS has not successfully handled that sector.

Mr. Corcoran inquired if there are exemptions to local earned income tax eligibility. Ms. Weist stated that there are no exemptions.

Ms. Snyder inquired about how often employers are required to submit employee withholdings. Ms. Weist stated employers are required to submit employee withholdings quarterly; however, consolidated filings can be submitted monthly.

Mr. Marmarou inquired about Berks EIT's ability to share information with the City so we can check those who file local earned income tax against those who pay per capita tax. Ms. Weist noted the confidentiality of tax payments. Ms. Kelleher noted that the City does not wish to know personal information, only the names and addresses of those who pay. The issue was discussed. Ms. Snyder suggested obtaining a legal opinion.

Mr. Waltman expressed the belief that the commuter tax was trimmed back too far. He stated that the 2013 rate remains at the 2012 level. He noted the need to explore retaining a commuter percentage beyond 2013.

### **Downtown 20/20**

Lee Olsen, Chair of the Downtown 20/20 committee and Krista Schneider, of Barry Isett and Assoc, Consultants, stated that their group conducted 3 public meetings to educate the public about the proposal to construct a market place in the middle of the 400 and 500 blocks of Penn Street. She stated that the input, regarding the need for doubling the amount of parking spaces on Penn Street, from those meetings is reflected in the amended plan. She stated that the attendance lists and comments are also included. She stated that the group believes that the addition of this marketplace will make Reading a focal point.

Mr. Olsen noted the need for proper management of the marketplace by some independent organization. He noted that a similar project in Annapolis Maryland failed due to poor management practices.

Mr. Sterner inquired if this marketplace would be in competition with the existing markets in Muhlenberg, Shillington, and Wyomissing. Ms. Schneider stated that the marketplace sells retail items, not fresh fruits and vegetables like a farmers market. She stated that the marketplace would be similar to the Quincy Market in Boston.

Mr. Waltman noted the cost of not addressing the types of businesses that are currently

located on Penn Street, on a building by building basis. He stated that Reading's downtown would not be similar to West Reading. He expressed the belief that the downtown was at its prime in the 1970s when there were a good selection of retail stores and restaurants and sufficient street parking.

Mr. Sterner agreed and expressed the belief that until the types of businesses on Penn Street change, Penn Street will not change.

Ms. Reed expressed the belief that the loitering and public drunkenness on Penn Street is a huge deterrent and makes the area very unfriendly to the average pedestrian. She stated that DID has a difficult time dealing with the patrons of the bar at 4<sup>th</sup> and Penn Streets. She expressed the belief that allowing overflowing dumpsters next to the restaurant are a deterrent and unappetizing for pedestrians. She suggested fixing the downtown before building features to draw people to the downtown. She noted that this and past Administrations have avoided performing corrective action.

Ms. Reed noted that the parking problems businesses experience has caused businesses to abandon the downtown and Reading on the whole. She stated that the Administration's delay in addressing this issue has caused two restaurants to leave the downtown. She stated that the Mayor's Office was asked to provide an update at tonight's Finance Meeting but the report did not provide any specifics.

Mr. Corcoran agreed that the Mayor's Office has stonewalled Council from the discussion on downtown parking. He also questioned the Administration's ability to manage this type of marketplace, considering the Annapolis example provided.

Ms. Goodman-Hinnershitz expressed the belief that Council and the Administration should adopt a team approach, as working separately on issues accomplishes little. She agreed with the need for a true change of Penn Street, beyond its appearance. She suggested requesting the Administration to provide an update on this topic in two months.

Ms. Snyder expressed that the type of change requested can be created through the implementation of a Comprehensive Plan. She stated that addressing Penn Street was suggested as an initiative in the training held last week. She stated that although the preparation of a comp plan can take up to 18 months, the City can start preparing for the change.

Ms. Reed agreed but noted the need to find some balance to protect Penn Street in the meantime.

Ms. Olsen stated that he understands the frustration expressed this evening, as he too became

frustrated during the preparation of the Downtown 20/20 report, as the group went through two Mayors, three Managing Directors and three CD Directors.

Mr. Waltman noted the interdependence of Housing and Economic Development.

Mr. Corcoran expressed the belief that the legislative body can take some action steps to improve and correct Penn Street; however, it would be helpful to have the Administration's assistance. He stated that nothing is gained through a stonewall attitude.

Ms. Goodman-Hinnershitz thanked Mr. Olsen and Ms. Schneider for their work and ideas.

### **Yard Waste Collection**

Ms. Goodman-Hinnershitz stated that Council has received the Council Staff suggestion to provide a pay to participate program. She stated that Council is waiting to hear the Mayor's staff recommendation. She stated that this item will be deferred until the September meeting. Ms. Snyder offered to provide a timeline for a response.

As no other business was brought to the table the meeting adjourned at approximately 8:50 pm.

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*

### **FOLLOW-UP ITEMS**

1. Legal Opinion re Berks EIT's ability to share the name and address of those filing tax returns, so the data can be compared to the per capita records
2. Finalization of the Comp Plan RFP
3. Addressing the types of businesses on Penn Street
4. Yard Waste Collection – recommendation from Mayor's Staff.